

good news with all, Dr. Turner not only changed lives, he changed hearts.

I knew Dr. Turner personally. He and my father, Dr. Douglas C. McIntyre, served on the City Council together in the 1970s. Later, Dr. Turner and I served together on the board of the newly chartered Lumberton Economic Advancement for Downtown, Inc, to help revitalize the downtown of our city. He and I were involved in many political activities together, and he appointed me to serve on the Robeson County Human Relations Commission. He encouraged me when I first ran for Congress to "do something that people can see and feel and touch." And, indeed I have kept those words in my mind and heart throughout the years as an inspiration when working on projects and programs to help folks back home in southeastern North Carolina.

Madam Speaker, a few weeks ago, our nation inaugurated our country's first African-American President, Barack Obama. President Obama, and the next generation of political leaders, stand on the shoulders of men like Dr. E.B. Turner who paved the way for their success.

May God's blessings continue to shine upon Dr. Turner, his wife Georgia, daughters Andrea and Rosalind, and all of his extended family.

IN HONOR OF RICHARD T.
BORKOWSKI

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 2009

Mr. KUCINICH. Madam Speaker and Colleagues, I rise today in honor and recognition of United States Veteran Richard T. Borkowski as he receives the 2008 Veteran of the Year Award by the Joint Veterans' Commission of Cuyahoga County.

Mr. Borkowski began his service in the United States Army Infantry Division in 1950, the first year of the Korean War. Following the war, he married Evelyn, and together they raised two children—a daughter and son. He worked for nearly thirty years at the Standard Oil Company. Though his military tenure had ended years earlier, Mr. Borkowski never forgot the soldiers who served with him, and he always felt a kinship with the men and women who would serve after him.

For the past sixteen years, Mr. Borkowski has dedicated more than 5,000 volunteer hours at the Louis Stokes VA Medical Center. Mr. Borkowski helps disabled veterans get to religious services on Sundays, delivers snacks and treats to bed-bound veterans, and compassionately listens and talks to veterans about past military service and life experiences that form common bonds of friendship and understanding. Mr. Borkowski is a life member of the Parma Veterans Center, American Legion, Veterans of Foreign Wars and Korean War Veterans.

Madam Speaker and Colleagues, please join me in honor of Richard T. Borkowski, upon his selection as the 2008 Veteran of the Year by the Joint Veterans' Commission of Cuyahoga County. Mr. Borkowski's commitment to the welfare of the veterans of our community brings an element of hope, light and friendship to the lives of those he

serves—thereby strengthening the foundation of our entire community.

A BILL TO ENSURE ADEQUATE
AIRLINE COMPETITION BETWEEN
UNITED STATES AND EUROPE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 2009

Mr. OBERSTAR. Madam Speaker, in the past year, our attention in aviation policy has been trained on the survival of the U.S. airline industry, battered by reduced demand, and volatile fuel prices. This emphasis has been entirely appropriate. But we must not lose sight of the longer term issue of ensuring that when the airlines return to financial viability there will be enough competition to offer consumers good service at reasonable prices.

I have become increasingly concerned with the decline of competition in international markets, particularly between the United States and Europe. These markets used to be served by independent carriers from most European countries, and by a number of U.S. carriers. Increasingly, the market has come under control of three alliances composed of one or more U.S. carriers and several European carriers.

The alliances began with "code sharing" in which one airline would sell tickets on the flights of another airline as though the flight was its flight. These arrangements have been defended as providing better and more convenient service for consumers.

In recent years, the airlines in alliances have worked to take the process to the next level, asking the Department of Transportation, DOT, and the Department of Justice, DOJ, to grant the members of the alliance antitrust immunity to jointly plan services and fares over international markets served by the alliance. When immunity is granted, there will not be competition between the immunized carriers in the markets involved.

Antitrust immunity has been granted for a number of alliance operations, and requests are pending for antitrust immunity for most other significant alliance operations. If these requests are granted, competition in the U.S. to Europe markets will be largely reduced to competition among three alliances.

I believe that the time has come to reassess the wisdom of allowing the continuation of the reduced level of competition, which results from antitrust immunity for alliances. I am introducing legislation to require a major study of whether the benefits to consumers of alliances with antitrust immunity outweigh the adverse effects of the resulting loss of competition. Following this study, DOT will be required to review its policies and make any needed changes. There may also be a need for further legislation.

After any new laws and policies are in place, all grants of antitrust immunity for alliances will be reviewed for conformity with those laws or policies. This review is now permitted under the terms on which immunity was granted. When DOT granted immunity for alliances, it wisely reserved the power to amend, modify, or revoke the immunity at any time. My legislation provides that no antitrust immunity for alliances may continue beyond three

years from date of enactment of the legislation, unless DOT affirmatively decides that the immunity should continue under any new laws and policies.

A more detailed consideration of U.S.-European aviation trade shows that this market is now dominated by three major alliances: Star (United/Lufthansa), SkyTeam (Delta-Northwest/Air France/KLM) and oneworld (American/British Airways). These alliances have strong market power. Combined, the Star, SkyTeam and oneworld alliances account for almost 80 percent of the total world airline capacity, 78 percent of world revenue passenger kilometers, and 73 percent of passengers carried. These three alliances control over 87 percent of the traffic between the United States and Europe.

The DOT has the primary responsibility to review proposed airline alliance agreements and antitrust immunity applications for international operations. The DOT typically grants immunity if the parties to the agreement would not otherwise go forward without it and it finds that the immunity is in the public interest. One other major factor that also drives DOT's analysis is whether an Open Skies agreement exists between the United States and the country of the foreign air carrier. The DOJ, though a party in the antitrust immunity process, does not have a primary role in reviewing alliance/antitrust applications. However, the DOJ does make recommendations, and supplies data and policy input to DOT on these issues.

In 2008, the DOT granted the SkyTeam alliance antitrust immunity to coordinate schedules and prices, and operate as though they were one carrier. Since the granting of the SkyTeam application, Continental Airlines has filed an application to join the already antitrust-immunized Star alliance, and American Airlines and British Airways filed an antitrust immunity application for the oneworld alliance.

Once antitrust immunity is granted, the airlines involved are removed as competitors in highly traveled international markets. As DOT noted in the SkyTeam decision:

Upon implementation, the 4-way JV [joint venture] will bring all transatlantic services offered by the venture participants under the control of the venture. Committee and working groups, composed of senior representatives from each airline will jointly plan and manage capacity, pricing and financial settlement. The 4-way JV attempts to align the economic incentives of the participants to create what is known in the airline industry as "metal neutrality." Instead of competing among themselves for a greater share of revenue by trying to carry passengers on their own metal (aircraft), the participants agree to pool revenues and costs so that they become indifferent as to which carrier operates the service.

In essence, the granting of antitrust immunity is a de facto merger of these airlines over the routes involved. Evidence also suggests that when immunity is granted to an alliance, there is a decline in competition from carriers not in the alliance. Case in point: in 1990, the New York JFK-Paris market had six competing airlines, today there are only three. Of the three remaining carriers in the market—Air France and Delta, which are part of the immunized SkyTeam alliance—have approximately 75 percent of the market share. Another major market, Chicago to Frankfurt, is dominated by Star members United and Lufthansa, which control an 85 percent share; the Amsterdam-

Atlanta market will now be controlled by newly immunized SkyTeam members Delta and KLM.

The Committee on Transportation and Infrastructure received testimony in May 2008, which indicated that domestic competition could be hampered by immunized alliances. Concerns were expressed that U.S. members of immunized alliances could use the profits realized as a result of anticompetitive behavior to subsidize domestic flying.

In addition, fares in markets dominated by alliances have increased. In a summary of its 2005 study on immunized alliances, the Brattle Group noted that “there is evidence that immunized alliances have undertaken actions that raise their rivals’ costs of interlining at certain alliance-dominated hubs. The decline in competition at these hubs is further evidence of market power: immunized alliances have gained market share at their respective European hubs even as their fares have risen.” The Brattle Group also expressed concern that even if “inter-alliance competition is sufficient to discipline fares to destinations that can be served through more than one hub, it cannot do the same for destinations better served through a particular hub. Passengers to those destinations may be ‘captive’ to the dominant alliance at the hub, in the absence of non-alliance competition.”

As early as 1999, the Transportation Research Board (TRB), in its study *Entry and Competition in the U.S. Airline Industry*, expressed concern about the impact that global alliances with antitrust immunity may have on competition. The TRB stated that “although some travelers in connecting markets might benefit from these alliances, the potential gains to travelers in mainline markets—gateway to gateway routes where allied airlines were once main competitors—are not evident, and it is possible that these travelers are losing out.”

The TRB also expressed concern about the long-term impact of alliances on unaffiliated U.S. carriers, noting that the effect of such alliances could be exclusionary and “ultimately forcing some unaffiliated U.S. airlines out of international markets by diverting their feed traffic and weakening their overall route structure to the detriment of domestic competition.”

We cannot afford to be complacent about the threat to competition posed by these immunized airline alliances. To begin the discussion, I am introducing legislation that calls upon the Government Accountability Office, GAO, to study:

(1) The legal requirements and policies followed by the DOT in deciding whether to approve alliances and grant exemptions from the antitrust laws under 49 U.S.C. §§ 41308 and 41309;

(2) Whether there should be any changes to those policies or the legislative authority under which DOT determines whether to grant antitrust immunity; and

(3) Whether the DOT should exercise the right it has reserved to amend, modify or revoke any antitrust immunity previously granted.

Importantly, this legislation would sunset all immunity grants three years after the date of enactment. This is necessary to ensure that if the GAO finds that policy changes are needed, DOT will have the time to examine and implement them. U.S. and foreign air carriers can then reapply for antitrust immunity under any new policies adopted.

The GAO study will focus on the impact of immunized alliances on competition and customer service. It is important to assess whether these immunized alliances have resulted in a reduction of competition, increase in prices or other adverse effects or have used their market power to foreclose rival airlines from competing at alliance dominated hubs. Moreover, the GAO will be tasked with analyzing whether network size plays a role in adversely affecting competition and whether there is sufficient competition among immunized alliances to ensure consumers will receive benefits similar to those conferred by non-immunized alliances.

In addition, the bill directs the GAO to determine whether DOT’s and DOJ’s different regulatory and antitrust responsibilities for international alliances have created any significant conflicting agency recommendations and whether, from an antitrust standpoint, requests for antitrust immunity should be treated as mergers, and subject to a traditional merger analysis by the DOJ.

As the Brattle Group noted, the “move towards alliances has brought increased concentration to the transatlantic market, which highlights the importance of competition among alliances. This argues for caution on the part of regulatory officials in evaluating proposals likely to result in further increases in concentration. At a minimum, any substantial expansion in the scope of antitrust immunity offered to particular alliances (or combinations of alliances) should require compelling evidence that there are economic efficiencies that would justify the expanded immunity and that could not be achieved absent the immunity.”

This bill is an important step forward in determining whether DOT’s antitrust policies are sound and whether the DOT gives appropriate consideration to the impact that the granting of antitrust immunity might have on competition here and abroad.

As the evidence indicates, these immunized alliances hold great market power and have the potential for exercising that power to the exclusion of non-immunized carriers, thereby reducing competition in the international marketplace, as well as disrupting domestic competition. If these immunized mega-alliances are allowed to proceed unchecked, the end result may be trading government control in the public interest for private monopoly control in the interests of the industry.

INTRODUCTION OF THE “HATE
CRIMES STATISTICS IMPROVE-
MENT ACT”

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 2009

Mrs. MALONEY. Madam Speaker, today, along with Representatives RAÚL GRIJALVA, HENRY WAXMAN, BARBARA LEE, LYNN WOOLSEY, FORTNEY PETE STARK, and ELIJAH CUMMINGS, I am reintroducing the “Hate Crimes Statistics Improvement Act” which will ensure that hate crimes motivated by gender are accounted for by the FBI and local law enforcement agencies. With accurate data, local communities can identify gender-based hate crimes in their area, ensure that the prosecution of such crimes is a priority, and chart their progress toward eliminating them.

In states with gender-based hate crimes laws, prosecutors typically must present concrete evidence that the criminal act was committed due to gender bias. Because not all crimes against women are gender-based crimes, prosecutors should have discretion in identifying what constitutes a gender-based hate crime. By collecting data on gender-based hate crimes, we send the message that we will not tolerate the violence targeted toward women throughout our country.

I urge my colleagues to support this important legislation.

HONORING MR. GERALD BORDERS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 2009

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Speaker, today I rise to celebrate the milestone of a long time friend of mine, Mr. Gerald Borders. On January 20, 2009 Gerald Borders of Dallas, Texas retired, completing a 44 year career with Texas Instruments. Mr. Borders’ career spanned a remarkable amount of change. In 1963, when he began his career as a contractor, Dallas suffered from segregated schools, public accommodations and facilities—including within Texas Instrument plant sites. He choose to coincide his retirement on the day of the Inauguration of Barak Obama, our Nation’s first African-American President.

I know that Mr. Borders thoroughly enjoyed his opportunities with Texas Instruments, in particular the time he spent as a full-time loaned executive to Paul Quinn College, a historically black college in the southern sector of Dallas. His time with Paul Quinn lead to a passion that would define the later phase of his career: education and economic development in the within that same southern sector in Dallas. One of Mr. Borders many projects mobilized tens of thousands of volunteer tutoring in Dallas’s public schools. Mr. Borders was a tireless advocate of the Dallas Together Forum, which leveraged the purchasing power of major corporations toward economic inclusion for minority and women owned businesses. He conceived of and administered the Texas Instruments Community Involvement Team, which commits philanthropic resources to diversity initiatives for investment in neighborhood non-profits. He is a tireless volunteer for the United Way of Metropolitan Dallas and among other roles, serves as chairman of their African American Leaders Society.

Mr. Borders’ knowledge, communications skills and leadership ability made him a highly sought after business leader by elected officials. For the past 15 years, I have requested that he host my Brain Trust Summit in Washington DC with the Congressional Black Caucus—an event that highlights the challenges and opportunities of science, engineering and math education within the African American community nationwide.

Madam Speaker, please join me in wishing Mr. Gerald Borders a well deserved retirement and a joyful and fulfilling future.